1. Online booking tools bring proven benefits when implementation is tailored to each company’s specific context.

To reap the full benefits of online booking, companies require a tailored strategy and thorough implementation plan. Online booking tools (OBTs) are used increasingly by companies wishing to minimize costs while providing convenient booking features for travelers. Many factors influence online adoption, from the macro-economic context to organizational culture, but high adoption rates are possible, particularly when a comprehensive implementation strategy is implemented. Companies also need to carefully consider the trade-offs involved in using a single OBT or best-in-market OBTs regionally or locally, as well as whether to source directly or use reseller agreements.

**Benefits of online booking**

When implemented in the right way, corporate online booking tools enable companies to generate significant savings while offering travelers convenient service features. This CWT research confirms a number of benefits:

- **Lower transaction costs.** Transaction costs typically represent 3-5 percent of total travel spend. Within this budget, simple, touchless online transactions generally cost half as much to process as manual offline bookings, while the cost of assisted bookings comes about halfway between online and offline

**Figure 5: Transaction costs are significantly lower for online bookings**

![Comparison of transaction costs](image)

Source: CWT Travel Management Institute
Based on CWT client transactions for North America
transactions. In some cases where assistance is required more than once, however, the cost may be higher than for offline bookings if per-touch charges are applied, given that companies must also pay an OBT fee.

Travel managers rank booking cost optimization top of the list of factors driving online adoption, followed by service features that enhance the traveler experience (24/7 availability and ease of booking), as shown in Figure 6.

Figure 6: Travel managers say optimized booking costs are the main driver of online usage
Lower average ticket price (ATP). Previous in-depth CWT research\(^4\) indicates that the ticket price is on average 5 percent lower when travelers use online booking tools instead of contacting a travel counselor, and savings can sometimes reach 15 percent from combined savings on airfares and booking fees. In the current survey, travel managers say the average air ticket price paid through online booking tools is 7 percent lower on average, while close to a third of respondents (or 45 percent when excluding “don’t know” responses) believe it is more than 8 percent lower. An analysis of transaction data for a global company’s top 15 city pairs used by its global headquarters in Paris shows a reduction of 6 percent in ATP. (See Figures 7-8.)

Figure 7: Travel managers say online booking reduces the average air ticket price by 7 percent on average

![Estimated savings on airfares through online booking](chart.png)

Source: CWT Travel Management Institute.
Based on a survey of travel managers (112 responses)

\(^4\) Toward Excellence in Online Booking, CWT Travel Management Institute (2006)
A key reason for the lower ATP is that travelers are more likely to choose cheaper fares when they see a range of options on their screens and experience “visual guilt.” They may also access cheaper booking classes by booking earlier, although the impact of online booking on advance booking appears rather limited: nearly 35 percent of surveyed travelers and 20 percent of travel managers say OBTs do not lead to earlier booking. (See Figure 9 on Page 16.)
Improved compliance with the travel policy, bringing savings. In the CWT survey, just over half of travelers (52 percent) agree that booking online forces them to be more compliant with the travel policy, and previous research also shows that companies using OBTs have higher levels of compliance with preferred airline policy and a greater share of restricted fares than other companies. Improvements in both these areas can bring substantial savings. This is true both in mandated and non-mandated policy environments, as online booking tools can be configured to display preferred options, flag out-of-policy alternatives, provide policy reminders or refuse non-compliant bookings.

Efficient booking processes. OBTs can save travelers time when booking through standardized, well-designed processes, and can add convenience by being available 24/7 and offering relevant information (e.g., on travel options that comply with the travel policy). Surveyed travelers tend to acknowledge these benefits: for example, 54 percent of respondents say that booking online is faster than contacting a travel counselor (vs. 23 percent who say it is not), while 46 percent say booking is simpler and requires fewer iterations (vs. 28 percent who say the opposite). It is worth noting, however, that 41 percent of travelers say online booking decreases the level of service they receive. (See Figure 9.)

5 Playing by the Rules: Optimizing Travel Policy and Compliance, CWT Travel Management Institute (2008)
Online booking: numerous benefits

Figure 9: Travelers and travel managers acknowledge the benefits of online booking

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Travelers</th>
<th>Average score</th>
</tr>
</thead>
<tbody>
<tr>
<td>More appropriate for simple bookings</td>
<td>22</td>
<td>7.2</td>
</tr>
<tr>
<td>Forces me to comply with the travel policy</td>
<td>18</td>
<td>6.2</td>
</tr>
<tr>
<td>Faster than offline booking</td>
<td>15</td>
<td>6.2</td>
</tr>
<tr>
<td>Simpler and requires fewer iterations</td>
<td>10</td>
<td>5.7</td>
</tr>
<tr>
<td>Reduces the level of service I receive</td>
<td>9</td>
<td>5.6</td>
</tr>
<tr>
<td>Generally helps me to book cheaper fares/rates</td>
<td>7</td>
<td>5.5</td>
</tr>
<tr>
<td>Reduces the content I have access to</td>
<td>6</td>
<td>4.5</td>
</tr>
<tr>
<td>Forces me to book earlier in advance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Travel managers

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Average score</th>
</tr>
</thead>
<tbody>
<tr>
<td>More appropriate for simple bookings</td>
<td>53</td>
</tr>
<tr>
<td>Generally helps travelers to book cheaper fares/rates</td>
<td>31</td>
</tr>
<tr>
<td>Forces travelers to comply with the travel policy</td>
<td>24</td>
</tr>
<tr>
<td>Faster for travelers than offline booking</td>
<td>22</td>
</tr>
<tr>
<td>Simpler for travelers and requires fewer iterations</td>
<td>15</td>
</tr>
<tr>
<td>Forces travelers to book earlier in advance</td>
<td>10</td>
</tr>
<tr>
<td>Reduces the level of service travelers receive</td>
<td>8</td>
</tr>
<tr>
<td>Reduces the content travelers have access to</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: CWT Travel Management Institute
Based on a survey of travelers (2,106 responses) and travel managers (110 responses)
More often than not, survey respondents say the benefits of online booking tools far outweigh the limitations: 65 percent of travel managers and 52 percent of travelers say “yes, by far” or “yes, somewhat.” (See Figure 10).

Figure 10: Travel managers are more enthusiastic than travelers about the benefits of online booking

Travelers’ views on whether OBT benefits outweigh the drawbacks

- Yes, by far: 13%
- Yes, somewhat: 39%
- No, not really: 29%
- No, not at all: 8%
- Don’t know: 11%

Travel managers’ views on whether OBT benefits outweigh the drawbacks

- Yes, by far: 27%
- Yes, somewhat: 38%
- No, not really: 16%
- No, not at all: 7%
- Don’t know: 12%

Source: CWT Travel Management Institute
Based on a survey of travelers (2,120 responses) and travel managers (192 responses)
Growing use of online booking tools

Given the benefits, it is hardly surprising that more and more bookings are being made online, as noted by 70 percent of travel managers and 53 percent of travelers in companies that implement OBTs. On a scale of 1-10 (1 being a strong decrease and 10 being a strong increase), the average scores are 7.5 for travel managers and 6.7 for travelers. Interestingly, there are two peaks in travel managers’ responses: one around 5 (online booking remaining the same over the past few years) and a slightly higher peak around 10 (a strong increase), as shown in Figure 11.

Figure 11: Travel managers and travelers note an increase in online booking over the past 3-5 years

Perceived evolution in online booking

Travel managers (%)

![Bar chart showing travel managers' perceived evolution in online booking](image)

- **Strong decrease**: 2%
- **No change**: 12%
- **Strong increase**: 31%

Average: 7.5

Travelers (%)

![Bar chart showing travelers' perceived evolution in online booking](image)

- **Strong decrease**: 2%
- **No change**: 15%
- **Strong increase**: 18%

Average: 6.7

Source: CWT Travel Management Institute
Based on a survey of travel managers (115 responses) and travelers (2,266 responses)
Today, OBTs are used for just over half of all bookings on average, according to travel managers. (See Figure 12.)

**Figure 12: Online adoption reaches 52 percent on average, according to surveyed travel managers**

![Bar chart showing online adoption of OBTs](image)

Source: CWT Travel Management Institute
Based on a survey of travel managers (119 responses)

In the future, online booking should grow further, according to 84 percent of travel managers. Most travelers, however, say their use of online booking will probably remain the same (56 percent, compared to 14 percent of travel managers). These opinions are shown in Figure 13.
Figure 13: Most travel managers believe online booking will continue to grow, whereas travelers expect usage to stay the same

Estimated future evolution of online usage

Source: CWT Travel Management Institute
Based on a survey of travelers (2,265 responses) and travel managers (116 responses)
There are wide variations in online usage levels between different countries and industries, however. For example, Australia’s online usage is nearly triple Spain’s (44 percent vs. 14 percent). Moreover, according to a CWT analysis of 70 million transactions, high-tech companies have been faster to adopt online tools than those operating in energy and utilities, chemicals or the public sector. For example, usage reaches 61 percent in electronics companies, compared to 17 percent in the public sector and 34 percent on average across all industries. (See Figures 14-15.)

Figure 14: Online usage varies considerably between countries and industries
These variations are partly explained by external factors such as Internet usage and the economic context, as well as corporate culture:

- **Internet usage.** The extent to which a country's population goes online impacts travelers' readiness to use online tools, as well as the maturity of the service offering.

Figure 16 shows the correlation between online booking and Internet usage in different countries. In this way, the growth in online booking is part of a wider online trend in all areas of business and people's private lives.
Sources: ITU, European Union statistics, CWT transactions, CWT Travel Management Institute

Figure 16: Online booking usage correlates with Internet usage

Online booking vs. Internet usage by country

Internet usage June 2010 (%)

Online booking 2010 (%)

United Kingdom
Singapore
Hong Kong
Ireland
Germany
Latvia
Switzerland
Czech Republic
Finland
New Zealand
Australia
Norway
United States
Czech Republic

y = 0.4x + 0.7
R² = 0.6

Sources: ITU, European Union statistics, CWT transactions, CWT Travel Management Institute
Economic context. Companies tend to accelerate their online usage plans when under greater pressure to reduce costs, as has been the case over the past few years with due to the economic downturn. Figure 17 shows how online usage grew 32-36 percent faster after the start of the financial crisis (third quarter 2008 to third quarter 2010) than before (first quarter 2005 to second quarter 2008).

Figure 17: Online usage increased with the economic downturn

Impact of economic crisis on OBT usage in Europe and Asia Pacific

While general trends can be observed, the pattern is different for every company, as illustrated by three examples in Figure 18. The first shows a global high-tech company with very high, stable levels of online adoption (more than 80 percent), while the second shows a global chemical company with much lower adoption (hovering around 20 percent). In the third, a global manufacturer doubled its adoption to around 50 percent in 2009 but later lost some momentum.
Figure 18: Online adoption trends vary between companies

Example 1: a global high-tech company

Example 2: a global chemical company

Example 3: a global manufacturing company

Source: CWT Travel Management Institute
**Corporate culture.** In addition to being influenced by external factors such as the industry context, companies with the highest adoption rates tend to have one or more of the following internal attributes:

- **Adaptable to change**
- **Self-enabling:** a strong do-it-yourself culture, where most employees do not have administrative assistants
- **Process-focused:** a methodology to improve process performance that is systematically measured and managed
- **E-culture:** employees are technology driven and go online for many administrative tasks, such as expense reporting
- **Mandate-based:** decision-making is generally a top-down process

They also employ best practices in terms of online implementation, as discussed on Pages 27-37.

**Figure 19: Online adoption is impacted by corporate culture**

<table>
<thead>
<tr>
<th>Average score</th>
<th>Impact on online adoption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very strong</td>
<td>Very strong</td>
</tr>
<tr>
<td>5.5</td>
<td>6.0</td>
</tr>
<tr>
<td>6.2</td>
<td>6.3</td>
</tr>
<tr>
<td>6.0</td>
<td>6.9</td>
</tr>
<tr>
<td>6.3</td>
<td>7.0</td>
</tr>
<tr>
<td>6.6</td>
<td>7.8</td>
</tr>
</tbody>
</table>

Source: CWT Travel Management Institute.
Based on a survey of travel managers (107 responses)

**Travel patterns.** In Figure 14 on Page 21, the countries with the highest online usage levels (Australia, the United States and Canada) have a high proportion of domestic travel and many “simple” point-to-point bookings.

**Access to a growing range of content and features.** Online booking tools are integrating more content and features that were previously only available offline (e.g., low-cost flights, rail bookings or reservations for more than one passenger at a time), although performance varies considerably between providers in different markets.
Implementing an online booking tool

The way an online booking tool is implemented goes a long way to ensuring high adoption levels and optimized benefits. A number of best practices are worth noting:

- **Define an OBT implementation strategy.** Ideally clear objectives are set before embarking on a project that involves considerable stakes and challenges. Surprisingly, many companies either have no online strategy or no action plan attached to their strategy (Figure 20).

![Figure 20: 37 percent of companies have no online strategy or action plan](image)

- **Set realistic objectives for OBT adoption, in terms of the amount and type of bookings that can be made online.** Surveyed travelers and travel managers agree that online booking is most suitable for “simple” transactions (67 percent and 93 percent respectively, as shown in Figure 9 on Page 16). Above a certain level of complexity (e.g., multi-segment trips) booking tends to be more efficient through a travel counselor.

Before implementing an OBT, companies should therefore consider the proportion of “simple” trips being booked, and in particular, point-to-point trips compared with more complex multi-segment itineraries. Based on CWT global client data for second semester 2010, **point-to-point trips account for more than half of all transactions**: 55 percent overall, rising to 62 percent in Europe, Middle East and Africa, although they are less common in Asia Pacific (34 percent of transactions) and in first class (45 percent). (See Figure 21.)
Figure 21: Point-to-point trips account for 55 percent of transactions on average

Point-to-point vs. multi-segment trips (H2 2010)

By region

<table>
<thead>
<tr>
<th>Region</th>
<th>Point-to-point</th>
<th>Multi-segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>34</td>
<td>66</td>
</tr>
<tr>
<td>Europe, Middle East</td>
<td>62</td>
<td>38</td>
</tr>
<tr>
<td>Latin America</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>North America</td>
<td>58</td>
<td>42</td>
</tr>
<tr>
<td>Global</td>
<td>55</td>
<td>45</td>
</tr>
</tbody>
</table>

By travel class

<table>
<thead>
<tr>
<th>Travel Class</th>
<th>Point-to-point</th>
<th>Multi-segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy/Coach</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Premium Economy</td>
<td>28</td>
<td>72</td>
</tr>
<tr>
<td>Business</td>
<td>48</td>
<td>52</td>
</tr>
<tr>
<td>First</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>All classes</td>
<td>45</td>
<td>55</td>
</tr>
</tbody>
</table>

Source: CWT Travel Management Institute
Based on 12.5 million transactions
At a company level, point-to-point trips account for 45-64 percent of transactions in a sample of 15 global CWT clients, underlining the need for a tailored approach to online booking strategy. (See Figure 22).

Figure 22: Point-to-point trips account for 45-64 percent of transactions in a sample of 15 global companies

Companies should not exclude all “complex” trips from online booking, however. When the same multi-segment trips are booked repeatedly, offline travel counselors can identify suitable flight options and two or three hotels in each location, enabling travelers to easily replicate previous bookings using the standard OBT “repeat trips” feature. Moreover, in Germany, Cytric has developed software to handle multi-segment itineraries efficiently. This said, offline booking remains the most effective way to guarantee the best routes and prices for complex trips, especially when repeat online booking may exclude the lowest available fare.
Companies can also consider their share of domestic and international trips. CWT client data for Asia Pacific, for example, shows that online booking is 3.5 times more common for domestic flights than international flights, which tend to be more complex and less recurrent. (See Figure 23.)

Figure 23: In Asia Pacific, online booking is 3.5 times more common for domestic flights than international flights

As mentioned earlier, the success of online booking for different kinds of trips also depends on the company culture and travelers’ willingness—and ability—to use an OBT. One surveyed firm, a global consultancy, has dropped online booking after meeting with considerable resistance from travelers who prefer to book through travel counselors. In contrast, a global high-tech company with a strong self-help culture has a high online adoption rate, including for multi-destination itineraries. For the latter company, the key question is how to ensure sufficient content in the OBT so that travelers can book the most cost-effective travel options: country-specific content such as rail or low-cost carriers must be included if the company is to optimize savings. This illustrates how high adoption is not a cure-all solution by itself and must be part of a well thought-out market-by-market strategy.

- **Minimize assisted online bookings.** This is important if companies are to reap maximum benefits from their online booking strategy in terms of efficiency and traveler satisfaction. Fifty-one percent of travel managers of large global or regional companies say online bookings require assistance due to traveler error or request, compared to 15 percent who say they are due to TMC back-office or technical constraints. (See Figure 24.)
Figure 24: 51 percent of travel managers in large global/regional companies say assisted bookings are due to traveler error or request, compared to 15 percent who say they are due to TMC back-office/technical constraints

Online bookings requiring assistance for different reasons

<table>
<thead>
<tr>
<th>Reason</th>
<th>Large global/regional companies</th>
<th>Local companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don't know</td>
<td>&gt;40%</td>
<td>&gt;40%</td>
</tr>
<tr>
<td>Online bookings requiring assistance due to traveler error or request</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>Online bookings requiring assistance due to TMC back-office/technical constraints</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>
Many more bookings could be completed without assistance if the right processes are used. For example, companies can switch off the OBT’s “add comment” function, which is often used unnecessarily. They can also require travelers to keep their profiles up to date so that all the relevant information is available without involving a travel counselor. (The main reasons for automation failure are incomplete or outdated credit card information, or missing passport information, such as full name, gender and country of passport issuance, which is required by the Advanced Passenger Information System used in many countries, such as China, India, Japan, the United Kingdom and the United States.) Billing issues that call for manual intervention, such as hotel bill-back (where the travel management company pays upfront and invoices the customer), can be avoided by requiring travelers to use their corporate payment cards when making a reservation. Further bookings can be completed without assistance if the company favors instant ticketing, since around 50 percent of all air bookings require intervention by travel counselors when airlines bring forward their ticketing deadlines.

According to surveyed travel managers, at least 15-20 percent of assisted bookings could be avoided. (See Figure 25.) Some companies reach considerably higher levels of performance: (See Pages 24-25.)

Figure 25: Travel managers estimate that 15-20 percent of assisted bookings could be made touchless
Ensure that the travel policy and OBT configuration meet travelers’ needs. When questioned about why travelers book outside the preferred online channel, travel managers say the main reason is cheaper fares being available through other booking channels. This is confirmed by travelers’ relatively low satisfaction ratings for access to the cheapest fares: just 5.7 out of 10 on average, with a score of 6 or more for only 49 percent of respondents. (See Figures 26-27.)

Figure 26: Travel managers say the main reason travelers book outside the online booking tool is that they find cheaper fares elsewhere.

Influence of different factors on non-compliance with preferred channels according to travel managers

<table>
<thead>
<tr>
<th>Factor</th>
<th>Respondents (%)</th>
<th>Average score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travelers finding cheaper fares through other booking channels</td>
<td>13 6 4 3 19 6 11 14 3 21</td>
<td>6.1</td>
</tr>
<tr>
<td>Proposed travel option not meeting traveler needs</td>
<td>17 7 3 2 31 5 8 13 3 11</td>
<td>5.3</td>
</tr>
<tr>
<td>Travel management company not empowered to enforce policy for non-compliant bookings</td>
<td>30 3 2 2 28 4 4 6 2 19</td>
<td>4.9</td>
</tr>
<tr>
<td>Compliance not a high management priority</td>
<td>25 7 6 3 24 4 6 6 2 17</td>
<td>4.9</td>
</tr>
<tr>
<td>Travel management company strictly enforcing the policy</td>
<td>30 6 3 2 25 6 6 4 2 17</td>
<td>4.8</td>
</tr>
<tr>
<td>Travelers’ personal preference for booking on other travel Websites</td>
<td>32 6 3 2 23 6 8 9 1 10</td>
<td>4.5</td>
</tr>
<tr>
<td>Travelers’ lack of awareness of preferred booking channels</td>
<td>30 6 6 1 26 8 5 6 3 9</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Source: CWT Travel Management Institute
Based on a survey of travel managers (185 responses)
Another important reason travel managers mention for travelers booking outside the OBT is their dissatisfaction with the travel options offered. This may be due to the OBT parameters set by the company, or some trips deviating from the main travel patterns covered by preferred supplier agreements. Travelers may also want to book with the same suppliers they use for leisure travel (e.g., low-cost carriers that may not be part of the travel program) and compare the OBT with leisure reservation sites that inevitably offer more choice.

Travelers need to be reminded that OBTs are intended to facilitate their access to bookings supporting the travel program, and that using their OBT positively impacts supplier negotiations and the cost of travel after discounts. For example, research by Topaz International in 2009 shows that airfares booked through travel management companies were equal or lower to fares paid on public Internet sites in more than 90 percent of cases. (See Figure 28.) Moreover, booking through the preferred channels brings other benefits, such as the ability to track travelers effectively in emergencies. Communication on these issues plays a key role in change management programs, as discussed on Pages 37.)

Ensure that the OBT is user friendly and travelers are trained to use it. Travelers are more likely to abandon their online booking tool in favor of another booking method if processes are unnecessarily complicated or time-consuming, especially compared to airlines’ Websites that are fast and easy to use, being limited to their own offerings. This is a weak point, according to travel managers’ satisfaction ratings: OBT usability/features receive one of the lowest average scores, just ahead of OBT evolution and traveler satisfaction. (See Figure 29.)
Based on a survey of travel managers (105 responses)

**Figure 28:** Airfares booked through TMCs were equal or lower to fares booked on public Internet sites in more than 90 percent of cases

<table>
<thead>
<tr>
<th>Year</th>
<th>Agency fare equal or lower</th>
<th>Agency fare higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>93</td>
<td>7</td>
</tr>
<tr>
<td>2002</td>
<td>91</td>
<td>9</td>
</tr>
<tr>
<td>2003</td>
<td>91</td>
<td>9</td>
</tr>
<tr>
<td>2004</td>
<td>94</td>
<td>6</td>
</tr>
<tr>
<td>2005</td>
<td>93</td>
<td>7</td>
</tr>
<tr>
<td>2006</td>
<td>94</td>
<td>6</td>
</tr>
<tr>
<td>2007</td>
<td>95</td>
<td>5</td>
</tr>
<tr>
<td>2008</td>
<td>92</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: CWT Management Institute, Based on research by Topaz International, May 2009

**Figure 29:** Travel managers are less happy with traveler satisfaction than other criteria for evaluating online booking

<table>
<thead>
<tr>
<th>Feature</th>
<th>Respondents (%)</th>
<th>Average score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance with travel policy</td>
<td>5 5 5 15 10 15 21 14 8</td>
<td>6.6</td>
</tr>
<tr>
<td>Accuracy of proposed rates</td>
<td>8 3 3 6 21 6 16 19 10 8</td>
<td>6.2</td>
</tr>
<tr>
<td>Ability to steer travelers toward preferred suppliers</td>
<td>6 7 4 5 22 8 13 22 7 6</td>
<td>6.0</td>
</tr>
<tr>
<td>Comprehensiveness of content</td>
<td>8 2 9 5 21 12 15 18 6 4</td>
<td>5.8</td>
</tr>
<tr>
<td>Adoption rate (% of bookings made online)</td>
<td>16 1 4 6 20 9 11 15 9 9</td>
<td>5.7</td>
</tr>
<tr>
<td>Ergonomics/functionalities</td>
<td>10 3 7 10 20 15 10 19 4 2</td>
<td>5.5</td>
</tr>
<tr>
<td>Evolution of the tool</td>
<td>9 4 9 6 29 11 15 12 5</td>
<td>5.3</td>
</tr>
<tr>
<td>Traveler satisfaction</td>
<td>7 7 8 12 24 14 8 17 3</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Source: CWT Travel Management Institute, Based on a survey of travel managers (105 responses)
Ongoing traveler satisfaction surveys carried by CWT (CWT Listens) reveal significantly lower scores for online than offline transactions in all regions, underlining that progress can still be made in terms of user-friendliness and travelers’ acceptance of this way of booking. In an analysis of close to 270,000 bookings worldwide made between January 2010 and May 2011, the population expressing high satisfaction (at least 7 out of 10) is much larger for offline bookings (87 percent) than for online (78 percent). Conversely, the population expressing high dissatisfaction (4 or below) is much smaller for offline bookings (6 percent) than for online (10 percent). These results are mirrored across all regions.

Figure 30: Satisfaction scores are significantly lower for online than offline transactions

<table>
<thead>
<tr>
<th>Region</th>
<th>Offline</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>45</td>
<td>36</td>
</tr>
<tr>
<td>Latin America</td>
<td>74</td>
<td>47</td>
</tr>
<tr>
<td>North America</td>
<td>48</td>
<td>29</td>
</tr>
<tr>
<td>Europe, Middle East and Africa</td>
<td>57</td>
<td>42</td>
</tr>
<tr>
<td>Global</td>
<td>50</td>
<td>35</td>
</tr>
</tbody>
</table>

Average satisfaction scores

<table>
<thead>
<tr>
<th>Region</th>
<th>1-2</th>
<th>3-4</th>
<th>5-6</th>
<th>7-8</th>
<th>9-10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia Pacific</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Latin America</td>
<td>6</td>
<td>12</td>
<td>10</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>North America</td>
<td>4</td>
<td>11</td>
<td>5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Europe, Middle East and Africa</td>
<td>9</td>
<td>16</td>
<td>6</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Global</td>
<td>7</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: CWT Travel Management Institute
Based on traveler feedback (CWT Listens survey) after 270,000 transactions (January – May 2010)
Design and communicate a clear policy on online booking, supported by measures to reinforce compliance. Mandating the policy, rather than merely presenting it as guidelines, tends to work best, although this is not suitable for all company cultures. Compliance can be reinforced at the time of booking by the OBT configuration and offline measures such as empowering travel counselors to refuse bookings that could be made online. Travel managers should constantly review policy settings to enable travelers to make smart decisions (e.g., accepting a flight that costs US$100 more if it avoids an overnight stay or a 4-hour connection). (See Pages 60-70 for more information on travel policy and compliance.)

Implement a change management program to support OBT adoption. Typically a plan will include communications, training and post-implementation support rolled out over several weeks initially, combined with longer-term action (e.g., regular communications on OBT features and user tips). Effective change management is critical to the success of an online strategy, by preparing employees for the new processes, explaining the benefits and creating buy-in. However, the survey reveals plenty of room for improvement here: 23 percent of companies fail to implement specific action to support their online booking policy.

Figure 31: Few companies implement medium- to long-term change management to support online implementation

Breakdown of companies by change management/communication program to drive online booking adoption

- Permanent/lasting change management actions (e.g. coaching/training) 13%
- Multiple actions in the mid-term (about 2 years) 13%
- 3-5 actions in the short-term (a year or less) 18%
- 1-3 actions (e.g., a memo at launch) 18%
- Don’t know/not applicable 7%
- No specific action 23%
- Actions for permanent/lasting change actions focusing on only one area or target audience 8%

Source: CWT Travel Management Institute
Based on a travel program diagnostic survey for 152 clients
Selecting suppliers

The choice of online booking tools is critical to the success of an online strategy, and travel managers need to work through a number of important steps:

- Choose between a consolidated global OBT strategy or best-in-market model. No single OBT offers all the features available in all markets: for example, OBTs that lead the market in North America lag behind the leaders in Europe in terms of content (particularly rail) and service/support features. In addition to content, local service support can also be lacking.

Each strategy involves trade-offs, depending on the company’s culture and goals. Companies opting for a single OBT worldwide can gain in terms of ease of use, consistent content and streamlined, more cost-effective operations (e.g., implementation, maintenance and updates).

However, this approach can come at the cost of local content and features, and may not suit travelers in all markets. A best-in-market, multiple OBT approach is more appropriate when a company wants to ensure the best possible fit with its travelers’ needs in specific countries. This is particularly true of companies that do not mandate online booking in their policy and must therefore obtain buy-in from travelers. The main disadvantage is the potentially higher cost, linked to implementation and managing several suppliers.

More than 90 percent of CWT global clients who implement online booking take a best-in-market approach, but it is important to note that overall traveler satisfaction levels are comparable for both types of online approach, indicating that the execution is as important as the strategy.

The benefits of each approach are summarized in Figure 32.

Figure 32: Key benefits of a consolidated global OBT and multiple best-in-market OBTs

<table>
<thead>
<tr>
<th>Single global online booking tool</th>
<th>Multiple best-in-market online booking tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Economies of scale</td>
<td>- Best-in-market</td>
</tr>
<tr>
<td>- Single supplier management</td>
<td>- Market knowledge</td>
</tr>
<tr>
<td>- Improved leverage and customization</td>
<td>- Local support</td>
</tr>
<tr>
<td>- Consistent user experience</td>
<td>- Local content</td>
</tr>
<tr>
<td>- Simplified implementation</td>
<td></td>
</tr>
</tbody>
</table>

Source: CWT Travel Management Institute
Choose the right OBT provider. A number of key criteria should be considered when selecting one or several online booking tool suppliers:

- **Geographical footprint and strengths in key markets.** As mentioned above, an OBT may be present in the relevant markets but not have the same capabilities in each due to market constraints or the OBT vendor focusing its development on specific geographical markets. As a result, the OBT that offers the best fit varies with each company's global or local needs. (See Pages 40-41.)

- **Air booking capabilities,** such as enabling one-way bookings and maximum segments on itineraries involving multiple destinations, displaying all types of fares (negotiated and public), showing fees for exchanging tickets and other ancillary charges, and offering low-cost carriers.

- **Hotel booking capabilities,** such as integration with non-GDS hotel databases, displaying spend caps per city and showing previously booked hotels per destination.

- **Other booking capabilities,** such as integrating national and international rail bookings (a key feature in some markets such as France) and enabling “guest” booking for travelers outside the company who do not have a profile in the system.

- **Mobile applications,** and in particular booking features, which will be increasingly important.

- **Alignment with GDSs.** GetThere is aligned with Sabre, its parent company, while AeTM is owned by Amadeus. These booking tool providers tend to focus their development and support on configurations using their related GDSs.

- **Ability to support preferred payment methods,** such as corporate payment cards for all bookings, or different payment methods (e.g., individual corporate cards or lodge cards) depending on the type of booking (air, hotel, rail or car booking) and pay-as-you-fly travel passes (e.g., for American Airlines, Air Canada and SAS).

- **End-to-end integration with expense management tools.** For example, Concur and KDS both offer end-to-end travel and expense management solutions. Rearden Commerce integrates ExpenseWire and other financial systems.

- **Policy support,** such as targeting dynamic messaging at specific groups of travelers, customizing exception codes, restricting out-of-policy bookings, and automating pre-trip approval or notifying designated personnel when out-of-policy bookings are requested.

- **Site administration,** to support the travel policy (e.g., only displaying preferred suppliers or displaying them more prominently on the screen), the company's branding (adapting the screen environment) and customized OBT parameters (e.g., the number of authorized hierarchy levels impacting the options appearing on the screen).

- **Configuration features** such as data protection certification and the ability to synchronize with Web-based portals.

- **Other factors,** including cost, service level agreements and the quality of commercial relationships.
**Which OBT for which market?**

For companies wishing to consolidate their online booking, CWT recommends a choice of six regional suppliers (no single provider has the strongest offering in all regions):

- **Amadeus e-Travel Management (AeTM)**: a market leader in Europe, also present in the Americas and strongly developing in Asia Pacific

- **Concur Cliqbook Travel**, which is driving high satisfaction as a leader in North America and developing in other regions, especially Europe, Middle East and Africa

- **GetThere**: the optimal choice for a single OBT strategy, as a leader in North America, which is present also in Latin America and Asia Pacific, and developing in Europe

- **KDS**: a market leader offering integrated expense management in Europe, and also developing in other regions

- **Rearden Commerce**: a growing OBT in North America that is a close fit for smaller companies and offers additional traveler services such as airport parking, dining, events and Web conferencing

- **Traveldoo**: an OBT with a strong presence in France and growing in Europe
Companies implementing a best-in-market OBT strategy, can also consider a variety of multi-local providers, including Arnold in Australia and New Zealand; CWT B+Plus in Japan; CWT Connect Now for small to medium companies in Europe, Middle East and Africa; CWT Online in China; and Smart Traveler in Brazil.

In some countries (e.g., China, Indonesia, Japan and Korea), companies must continue to use local OBTs regardless of their strategy because regulations on content availability are limiting foreign providers’ development there. In other markets (e.g., Nigeria and other low-cost labor countries), CWT may recommend a fully offline strategy, which can be more cost-effective and efficient than implementing an online booking tool.

As technology evolves along with user expectations, travel managers should carefully monitor the available features and switch OBTs if necessary to ensure an optimal fit with needs.
Select an appropriate OBT supplier model. Companies are fairly evenly divided in their use of direct agreements with OBT suppliers or reseller agreements. Direct deals are slightly more common, especially among larger companies, but the proportion of reseller agreements is growing. This reflects companies' different priorities. Both types of clients see advantages of their type of model but the top three benefits noted by companies sourcing OBTs directly are (in order) commercial relationship, price and evolution of the tool, while the top three for clients who delegate OBT management to their TMC are price, commercial relationship and quality of service. (See Figure 33.)

Figure 33: Companies that source OBTs directly rank the benefits of their model differently to those that manage OBTs through their TMC

Source: CWT Travel Management Institute
Based on a survey of travel managers (98 responses)
There are plenty of arguments in favor of using the travel management company as the single point of contact for OBTs:

- **Access to best-in-class OBTs, integrated with other TMC products.**

- **Lower licensing, hosting and transaction fees.** Small to medium companies will almost certainly obtain better pricing deals thanks to the TMC’s negotiations on behalf of all clients, while larger companies can benefit from competitive pricing, along with reduced costs and increased consistency.

- **A wide range of services from consulting and initial set-up to ongoing site administration** that removes the burden of handling travel policy updates, entering preferred suppliers, managing rules and updates. (This said, TMCs also offer site administration services to companies that sign direct deals with OBTs, since this facilitates day-to-day problem resolution.)

- **Handling of technical issues** (e.g., troubleshooting and managing escalation to OBT providers).

- **The ability to expand OBT usage to other geographical markets without lengthy contractual work.**

At the same time, arguments in favor of direct agreements with OBTs include:

- **Fully negotiable licensing, hosting and transaction fees with any OBT editors.**

- **Control of the relationship with the editor and the TMC,** the company being the main point of contact.

- **Local language support for OBT users through a technical help desk and end-user training.**
Best practices for companies that have not yet implemented an online booking tool include:

- **Identifying the benefits of online booking compared to offline transactions in the context of a specific organization** and how best to take advantage of them (e.g., to maximize cost effectiveness through unassisted bookings, companies can reduce booking error with measures such as instant ticketing and up-to-date traveler profiles).

- **Choosing the most appropriate online strategy**: a single global supplier or a best-in-market, local approach, and a direct relationship with the supplier or coordination through the travel management company.

- **Identifying the supplier/s that can best suit the organization’s footprint and strategic priorities** as they evolve.

- **Planning and implementing a full online booking strategy**, from setting realistic objectives and ensuring that online booking tools meet travelers’ needs, to carrying out a change management program. This should include explaining the differences between consumer travel Websites and a corporate OBT, and policy designed to support a travel program.

For companies wishing to increase adoption, best practices include:

- **Understanding the drivers of online adoption**, which include both external factors and each company’s internal context (e.g., corporate culture and types of bookings).

- **Balancing corporate savings objectives with traveler satisfaction**.

- **Constantly reviewing policy settings** to enable travelers to make smart decisions (e.g., accepting a flight that costs US$100 more if it avoids an overnight stay or a 4-hour connection).

- **Keeping up momentum for online usage** through regular communications on new OBT features and tips.

- **Monitoring new technology and user expectations**, pushing OBTS to develop new features, and switching OBTS if necessary to ensure an optimal fit with evolving needs.